

Public Hearing/Regular Town Board Meeting
November 10, 2008

Minutes of a Public Hearing and the Regular Board meeting held on the above date beginning at 7:00 pm in the meeting room of the North Elba Town Hall, 2693 Main Street, Lake Placid, New York.

Members Present: Supervisor Robert Politi, Councilman: Jay Rand, Jack Favro, Bob Miller, Jay Rand, Denice P. Fredericks, Town Clerk.

Others Present: Laurie Curtis Dudley, Cathy Gregory Eileen Valentine, Larry Straight, Jim Morganson, Jason Leon, Jacob Resneck and George Earle.

Supervisor Politi called the Public Hearing for the Preliminary Budget to order at 7:00 pm by reading the Public Notice on the Preliminary Budget for 2009 which he stated that was properly published and posted.

Supervisor Politi recognized Cathy Gregory and asked her to summarize the budget.

Cathy Gregory stated there are handouts on the table here that we drafted for public consumption. I do not want to repeat what is in there because you can all read it. The handout will be on file in the Town Clerks Office. I will highlight a few items. The proposed tax levy is \$3, 729,918.00 which represents a very slight decrease over last years tax levy. That does not include re-levied water/sewer charges of \$110,301. The preliminary total taxable revaluation given to us by Essex County as of September 22, 2008 has the Town wide taxable Assessed Value as \$2,158,572,368 which is a 13.4% increase. That is the Valuation of properties that will be taxed for the General Fund. That is the entire Town. The Total Exemptions from Essex County Real Property Tax Service as of that same date for 2009 total \$946,620,443. With all that information we project that the tax rates for North Elba residence will decrease anywhere from 10.5% to 28.4% depending on the district that they live in. That does not include Benefit Districts water and sewer. The total budgeted expenditures for 2009 as proposed is \$9,831,364 and of that number a little under 2.5 Million or 25% represents budgeted capital improvements at the Airport which would be funded almost 93% through Federal and State funds if they are available. If they are not available, the project won't go forward. A few specific areas that we don't have control over are the gas/fuel prices that have been on the rise this past year. Electricity, water/sewer and fire districts are also costs that we can't control. Those all show increases in the budget but for the most part the majority of the operational expenses of the Town are either the same as last year or even lower in many cases. I don't have anything else to say unless somebody has questions.

Supervisor Politi stated I do want to say that this is a make-or-break kind of year for all towns throughout Essex County and Franklin County. I know that especially Jacob and George have seen through talking to other communities the ramifications of the increased costs and the severe cut in aide from the State and the challenges that everyone has faced. Some of the communities were upward as high as 14% and we have been lucky here in this community in that we have a very health Fund Balance. Although none of us as board members necessarily like to utilize the Fund Balance monies for one time offsets, we felt it in the best interest of the taxpayers and the people in this community to utilize as much of the Fund Balance as possible to offset costs so

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that people would find their taxes are in line with what they paid in the past. We could all foresee as board members that a lot of people will have a difficult time this year just paying for heat through the winter given what has happened. There is so many an uncertainties that we felt it was necessary to do as much as we could to try and hold the line on spending. We have done a good job. We cut a lot of things out of this budget. There were many things that were requested. A lot of equipment requested that we felt we could live another year without. Something we had to consider was salaries to our employees. As far as we are concerned, we all want our employees to make a good living and yet in lieu of the fact that our healthcare costs were increasing up to close to 26% it was necessary for us to also consider being careful with those particular costs. The cross the board increases that we considered is 3.5% for all of our employees. We tried to be consistent with everyone unless someone had a Grade change. Those salary increases are probably in line with other communities in this region. Of course, we would love to be able to give everyone a 10% or 20 % raise, but we are not able to do that. It would not be fair to the taxpayers. We have fiduciary interest each and every one of us to make sure that we protect the best interest of the taxpayers. On that, I will open it up for public discussion.

Jacob Resneck stated you mentioned there is a decrease in State aide. Can you give us an example?

Supervisor Politi stated it is more on a county level than it is to us. What I mean by that is that we are less likely to receive grants and so forth.

Cathy Gregory stated we do receive some state aide for operational expenses from ORDA. We are expecting that to be cut next year.

Supervisor Politi stated they did cut us 6% already. And we do expect that the cuts may continue. That is one of the areas that does affect us.

Jacob Resneck stated what was the decrease?

Cathy Gregory stated for this year the decrease was 6%. We put in the budget a 15% decrease but we are still contractually obligated to pay.

Councilman Damp stated I'm not sure we want that out. If they only cut us by 6% we'd be happier.

Jacob Resneck stated what is the total out lay you get from ORDA?

Supervisor Politi stated \$155,000 and it get cut to \$148,000. It's not a freeze in venues. It is an offset against what we have to contribute to ORDA and is considered promotional fees. It comes from the Department of Environmental Conservation. I learned today the 2008 bond monies are now frozen as a result of what is going on right now. Some of the monies that are in jeopardy are our Airport monies. This is promised money that is in question whether it will be received. The State has frozen the distribution of those funds. It's not only Lake Placid.

Councilman Damp stated it is most likely to we are gearing up to spend it.

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Jacob Resneck stated can you give me an example?

Supervisor Politi stated the airport fencing. He stated the 1.1 million dollar grant that we just received portions of is frozen pending the outcome of this financial situation and what is happening on the State level. I think that you will find this to be a common accordance across the State for all municipalities.

Jacob Resneck stated when was that work slated for?

Supervisor Politi stated more next year than this year. He stated we were hoping in the spring but it doesn't appear as though given what is going on and the amount of cuts that the Governor is talking about in next year's budget it would seem that some things are going to be in jeopardy. He stated unfortunately, things will affect each and every one of us in this community. I know one of the things that we talked about at the County level is the sales tax. I was informed today that the sales tax increase could be in jeopardy because of the Governor not wanting there to be any increase in taxes. What happens remains to be seen.

Jacob Resneck stated don't you have local control at the County level?

Supervisor Politi stated no. He stated it has to be approved by the State, the Government could veto it. Of course the legislation could override the veto but he has said that he does not foresee that happening. He stated we are going to face it very quickly. I saw on the news today that DHL just laid off 10,000 people in Ohio although that is not New York, it may be the beginning of the magnification of other layoffs to come.

Supervisor Politi stated we hope the letter written to all the Taxpayers is self explanatory. He stated it will not be mailed to all the property owners but will be probably posted in the paper. Supervisor Politi brought the chart on the last page to everyone's attention.

Jacob Resneck stated what did you cut between Friday and Sunday to make the levy decrease?

Cathy Gregory stated same payroll money that was budgeted in the Highway fund. We reduced expenditure in one of the highway funds that we had put too high originally so we cut that.

Jacob Resneck stated it won't effect operations?

Cathy Gregory stated no.

Supervisor Politi stated many times we base numbers on last year's numbers and as the year comes to an end we find that last year's number may have been too high. We are always trying to find ways to reduce appropriations if at all possible. We felt that in this particular category of the Highway Department we could make a change without affecting the service. It's more of a budget change than that what would affect Larry.

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Jacob Resneck stated outside of the three positions lost through attrition have there been further cut to employees.

Supervisor Politi stated not at this time. It may come to it. We have other positions to replace. I don't know what will happen.

Jacob Resneck stated all the other positions aside from those three are funded in the budget?

Supervisor Politi stated yes. They are funded in the budget. Weather or not they come to fruition that's a matter of time and circumstance.

Supervisor Politi stated I do want you to understand how the chart works. It is based on a \$300,000 house. If you own a \$300,000 house in 2008, it shows you what the taxes would be for that residence in those particular Districts. He stated now in 2009 we made the assumption that assessments increased at the average rate of about 13%. So in 2009 the equivalent at a 13% increase would be \$339,000 value. Utilizing those numbers for each district is shows the tax would be basically the same.

Jacob Resneck stated would there be a revaluation in effect by this?

Supervisor Politi stated no there is no reval coming. But every year the Department of Real Property Tax Service reviews our sales and compares them with assessments. They do it based upon a pool of three years, if in fact if the sales are greater than assessments then the State will make an adjustment like they did this year. He stated they said our sales average 13% higher than Assessments so in order to maintain a 100% Equalization Rate the Real Property Tax Service of the State came in and said your Roll has to be adjusted on average 13%. He stated we don't know what it will be this year but indications are that it is going to be substantially less it could be from 0% - 5% given what is happening right now.

Councilman Damp stated this does not include County Tax.

Cathy Gregory stated no. And it doesn't include special districts either.

Supervisor Politi stated I want you to understand that this does not include County Tax. This is just Town Tax. The information that is in this report deals solely with Town Tax Rates.

Jacob Resneck stated are these tax rates final?

Cathy Gregory stated no. We don't set the tax rates Essex County sets the tax rates. These are just projections.

Supervisor Politi stated this is a Preliminary Budget Hearing right now they are preliminary. He stated they are not final. He stated does anyone have any questions on those rates? I was hoping we would have more people here, in any event, if there are no more questions then I will draw the hearing to a close.

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Jim Morganson stated I look forward to meeting with you again. Someone should point out that you froze your own wages and asked for a reduction in yours, Roby. Someone should have pointed that out.

Supervisor Politi stated it's in the letter. I'll just say that the Councilman froze their wages and we will leave it at that. It was necessary for all of us to look at this and it is what it is.

Supervisor Politi closed the Public Hearing at 7:23 pm

Supervisor Politi opened the Regular Town Board meeting at 7:23 pm by asking everyone to stand for the Pledge of Allegiance.

Supervisor Politi asked for modifications on the agenda.

Attorney Ronald Briggs stated we need a resolution accepting title to the Nettie Jones property alongside the river.

Supervisor Politi asked for a motion on the minutes of the Board meeting on October 14, 2008 and the Public Hearing on November 3, 2008.

Councilman Rand moved and Councilman Favro seconded the motion to approve the minutes as written and presented. There being no discussion, the motion was unanimously carried with Councilman Damp abstaining as he was absent from the previous meeting.

Supervisor Politi stated is anyone here to speak to the Board regarding any of the agenda items here? No. If you would like to at any point my meetings are fairly open and I would entertain questions at any time.

Supervisor Politi stated on old business we need to adopt a Resolution for the Town/School use Agreement for the Oval/Ironman rink. I gave you information in your package. Did everyone have the opportunity to review it? We received all the money from Ironman for the first two phases. The money was wired.

Jacob Resneck stated how much?

Cathy Gregory stated \$188,980

Jacob Resneck stated for the rink upgrades?

Supervisor Politi stated it is for the construction of the rink. The schools attorney was given a copy of it. I think that we can approve the agreement tonight subject to the schools approval of it if that is alright with you.

Attorney Ronald Briggs stated that is perfect, absolutely.

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Councilman Damp moved and Councilman Miller seconded the motion to approve the Town/School use Agreement for the Oval/Ironman rink in its present form or as amended. There being no discussion, the motion was unanimously carried.

Councilman Damp stated relative to that, the appearance committee would like to make sure there is some input on the esthetics along the road. They want to dress up where the fencing is, similar to other towns with a stone bench and planters.

Supervisor Politi stated ok, who is going to do it?

Councilman Damp stated that is exact what I asked them. That's to be debated yet.

Supervisor Politi stated we have a \$25,000 endowment fund from Ironman but it is for the maintenance and upkeep of the facility. It is not for the construction of his type of thing.

Councilman Damp stated I'm not going to dispute that. I just wanted to put it on the radar that they have indicated that they want to have some input.

Supervisor Politi stated I cannot guarantee but there is no problem with them participating. One of the concerns was the netting around the fence. This is so the basket balls and pucks will not go out into the street hitting a car and so forth. That is part of this project. Ironman is providing that fence. The net is like fish line and will not detract of the view across the street from the High School. I'm told by the manufacturer that you will not be able to see it that much. In that respect that is a very positive thing. I don't have any problem dressing up an entrance or whatever they want. I'm happy to do it.

Jacob Resneck stated when does that start?

Supervisor Politi stated I'm told ASAP. They are going to do it now. Within the next 30 days. My understanding is that they are planning on having a celebrity event at the facility with former NHL hockey players and the local Pee Wee hockey players and so forth from the community.

Supervisor Politi stated update on the Cascade Sewer District. Ron I will let you take this. We had a discussion the other day.

Attorney Ronald Briggs stated we are now able to finalize some outstanding questions. Ivan is meeting with Brad Hathaway to establish the boundary of the new consolidated sewer district. Brad had the idea that any new districts include areas that have water at the current time. There seemed to be logic to that. Brad will consult with Ivan on the water districts and the place they would create a consolidated sewer district which would include the areas that we have been talking about plus additional areas that there is water. We will just do it one time and merge into this consolidated district all the of the numerous existing sewer districts. I think you have nine separate sewer Districts. It will become one consolidated Sewer District.

Supervisor Politi stated it makes a lot more sense.

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Councilman Miller stated there will not be nine any longer?

Attorney Ronald Briggs stated no there will be one. We will merge it into one.

Councilman Miller stated this new sewer district will match what the new water district is?

Attorney Ronald Briggs stated it will include areas that currently have water because going forward that is the likely place for sewer districts. So everyone thought that was a wise way to do it.

Supervisor Politi stated this is what happens. If you are not in the sewer district and you have water coming to you and you want to be getting the sewer district then you have to hire an engineer who has to do study and do all the mapping and so on. It would cost the owner of the property a substantial amount of money to get in. So we are thinking about wherever there is water now, it is likely that is where public sewer.

Attorney Ronald Briggs stated we are not committing to that.

Supervisor Politi stated the more people you put into the overall district the less cost there is to everyone. We talked about an area in this new development at Pine Brook on Bear Cub and John Brown Road. It has public water to it. It's not in the sewer District. Now the people have septic systems there but there may come a time where they want to put a sewer line in because they have water. It would be easier to put them in the district now. Is that going to cost them a lot of money? No. They will be taxes as if they were a vacant land owner. It would be nominal. But the cost to have to go in at some later time would be a lot more.

Councilman Miller stated they would have to pay a fee for being in the district however it would not be the same fee as someone would pay that could actually receive the service?

Supervisor Politi stated that's right.

Councilman Damp stated there is a major expense that is charged out to all the Districts and not just one. Correct?

Supervisor Politi stated yes. Right now if you own vacant land and you are in the district you are paying... I'm going to speak softly because I'm always watching Eileen as to whether she is nodding no or yes. Because Eileen knows better than I do... but my understanding is that if you are in a district and you own vacant land you are still paying a tax but it is nominal.

Supervisor Politi stated so any event, what is the timing now?

Attorney Ronald Briggs stated when we get the preliminary map done, we have to get a report from Ivan, the Engineer's Report. Then you hold a public hearing. That is required. Then after the public hearing people have the right to comment on the district and anything you are considering. Before the public hearing you have proposed Resolutions creating the district and there will be all the essential details, how many properties, what will be the cost per property on

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an average. All the necessary information for the public to be informed about the financial impact will be in the report. That will be disseminated publically and people come just like we have a hearing tonight and you talk about the district and at the end of it you decide whether you are going to establish the district. If you do then it gets approved by the DEC, the resolution with the maps and the plans.

Councilman Miller stated when might we get that far where we have the public hearing?

Attorney Ronald Briggs stated I know that Ivan is moving as fast as he can because Roby made it clear that the Town would like this done yesterday. I can't speak for Ivan so it would not be fair for me to try and estimate that. Think very soon within the next month, but I'm not Ivan.

Supervisor Politi stated the maps are pretty much done so I don't see that it taking that long. Any thing else. Yes, Jim?

Jim Morganson stated is Ivan using that information from the Delaware group?

Supervisor Politi stated yes. It's their map and he's just extending that. It has been a very easy process so far because of the information we have.

Supervisor Politi stated we did get a positive response on our speed reduction request for Northwood Road. I have a copy of a letter which was sent by the Department of Transportation to Fred Buck from the County. Supervisor Politi reads the letter which in on file in the clerks office.

Supervisor Politi stated notice has been mailed to the Secretary of State. Larry has already spoken with the County Highway Department and we have ordered signs. Northwood School and the residence there will be thrilled at that change.

Supervisor Politi stated on new business, Cathy has given me proposed amendment to the Employee manual revising section 8:10 of the Grade Plan. Two words have been inserted in that clause. The clause will now say that in such cases the employee shall be given at least a 3.5% increase unless said increase will result in the employees' new rate being less than the starting rate. We have talked about it and discussed this and it needs to be approved by this Board by resolution.

Councilman Damp moved and Councilman Favro seconded the motion to approve the employee manual change. There being no discussion, the motion was unanimously carried.

Supervisor Politi stated I also have a request to authorize Assessment settlement agreement between John T. Wilkins as co-trustee of the John M. Wilkins Trust and the Town of North Elba. The petitioner has offered to settle all pending years as Article 7 by reducing the 2009 Assessment value to \$50,000. This is the property located directly behind John Wilkins' law office. There is a parcel that was sub-divided a number of years ago and I do not believe it can be built on as a separate lot and basically has difficult access. It was assessed originally between the year 2004 and 2007 anywhere from \$151,900 and \$224,600. Rather than go back and have to

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pay rebates for those particular years it was agreed that those would be dropped when the assessment was lowered to \$50,000. Our Attorney feels as well as I do that it is reasonable and recommend the settlement.

Supervisor Politi stated that I think it was believed at the time that it was a buildable lot. I think you are familiar with it, Jim Morganson. It's a very tiny postage stamp lot. It is less than .10 acres with setbacks requirements from the lake. You really cannot do anything with it.

Jim Morganson stated does the agreement language specify it is not a buildable lot?

Attorney Ronald Briggs stated no. It will not say that.

Supervisor Politi stated if he builds on it, and can get a building permit for it, then the Assessment is going up.

Supervisor Politi stated I need an authorization to execute that settlement agreement at no cost to the taxpayers.

Councilman Damp stated is this recommended by Kim?

Supervisor Politi stated everything we have to execute for settlement he first has to agree to.

Councilman Miller moved and Councilman Favro seconded the motion to approve the Assessment settlement agreement between John T. Wilkins as co-trustee of the John M. Wilkins Trust and the Town of North Elba at no cost to the taxpayers. There being no discussion, the motion was unanimously carried.

Roll call vote: Councilman Favro–AYE; Councilman Miler–AYE; Councilman Damp–abstains due to family relations; Supervisor Politi-AYE; Councilman Rand-AYE

Supervisor Politi stated the next one is to authorize an Assessment settlement agreement between Rose Development and the Town of North Elba. This was a disputed case that involved a building which was destroyed by fire while on the 2007 Rolls. I would like you to understand that normally when you settle tax cases by law and by legislation that the following three years after the settlement must be fixed.

Attorney Ron Briggs stated it is by Section 727. But there are two exceptions. One of which is a reval of all the properties on the Roll.

Supervisor Politi stated in this particular case and since the property was completely destroyed by fire, we would not agree to fix the assessment for the next three years. Because it is under construction, it made no sense to fix it because it burned March 6, 2007. He stated the original assessment for each of the buildings was \$1,100,000 and there were two of them. He stated they claimed the value to be \$200,000 and they wanted the assessment reduced by \$900,000. This one doesn't make any sense it says \$900,000 and \$750,000 but those numbers don't add up.

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Attorney Ronald Briggs stated the second parcel wasn't completed at the time of the fire.

Supervisor Politi stated in any event we settled on a reduction from \$1,100,000 to \$900,000. and a settlement reduction from 1,100,000 to \$750,000. The total difference was about \$550,000 between the two parcels. He stated there is a refund liability for that particular year and the refund liability affects the Town of North Elba in the amount of \$2,337.50 and it affects the school district in the amount of \$3,492.50. He stated I would want a settlement agreement here as requested by our Attorney and the assessor to be such or be subject to the school's final approval of the agreement. He stated if no one has any questions I would like to entertain a motion to sign off on this settlement agreement on behalf of the Town of North Elba.

Councilman Favro moved and Councilman Rand seconded the motion to approve of the Rose Development V the Town of North Elba settlement subject to the school's final approval of the agreement. There being no discussion, the motion was unanimously carried.

Roll call vote: Councilman Favor: AYE; Councilman Damp: AYE; Councilman Miller: AYE; Councilman Rand: AYE; and Supervisor Politi: Aye.

Jim Morganson stated that a very inexpensive sprinkler system would have kept this misery from happening.

Supervisor Politi stated what was the real reason Jim was it rags?

Jim Morganson stated it was sir, yes.

Supervisor Politi asked for a motion on the budget transfers as recommended by Cathy Gregory our Budget officer and filed in the Town Clerk's office.

Councilman Rand moved and Councilman Chuck seconded the motion to approve the budget transfers as recommended. There being no further discussion the motion was unanimously carried.

Supervisor Politi stated the next thing is the appointment requested by the Assessor of the vacated Assessor Clerk position the individual that has been recommended and hired is Jessica Lynn Jocko. She will be taking over Laurie's position and Laurie as you all know was just elected our Town Clerk and we need someone in that office to be as organized as Laurie. He stated the rate of pay is \$12.00 per hour and it will be a grade I clerk.

Councilman Damp moved and Councilman Favro seconded the motion to approve the hiring of Jessica Lynn Jocko as Assessor Clerk at the starting pay of \$12.00 per hour. There being no discussion, the motion was unanimously carried.

Supervisor Politi stated we need to authorize the employees to have a day off the Friday after Thanksgiving, which is November 28th. He stated it is my understanding that historically it has been a day off in the past.

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Councilman Damp moved and Councilman Favro seconded the motion to approve the closing of the Town Hall on the day after Thanksgiving on November 28th. There being no discussion, the motion was unanimously carried.

Supervisor Politi stated we have two grade changes that have been discussed with this Board in the past by the Department Heads. One is Jennifer Mihill as a result of her being certified by the Judicial Court System. He stated she will move from a grade two to a grade three clerk and her rate of pay will be \$15.50 per hour and her current rate of pay is \$13.53 cents per hour.

Supervisor Politi stated the second is the approval of Andrea Randall's grade increase from grade one to grade two, Andrea is going to be working with Cathy as human resources working with personnel rather than hiring a new employee at a higher rate of wage. He stated we are going to consolidate that position and have Cathy and Andrea work together in providing that service to our employees. Her rate of pay is \$14.48 per hour and she was getting \$12.60 per hour. He stated may I have a motion to approve those grade changes.

Councilman Damp moved and Councilman Rand seconded the motion to approve the grade changes as stated. There being no further discussion, the motion was unanimously carried.

Councilman Miller stated where is Andrea going to be working?

Supervisor Politi stated she is going to be working in Butches office. She will continue being a clerk in the Park District. The files will be moved down to her office so she has access to them. He states this leaves an office open on the third floor. Which we will have the opportunity to rent and generate some revenue. We can make it available to some community service group.

Supervisor Politi stated does anyone have issues with these things?

Supervisor Politi stated Ron you said we need a resolution accepting title to a gift of property located along the west branch corridor of River Road. It is for Parcel one. It is this corridor along the river that runs from the location from the Ski Jump Bridge between the Village sandpit corridors there and runs all the way down to where it connects onto property at the Lake Placid Airport. It has been an area that used to have the original Lake Placid Club bridal path and it is utilized by riders at the Horseshow Grounds. It was given to us by the Bissell Family thru the Nettie Marie Jones Trust. He stated it will keep it scenic and protects the river in that location.

Jacob Resneck stated what was it assessed at?

Supervisor Politi stated it was assessed at hardly anything.

Jacob Resneck stated Jones and Bissell are the same family?

Supervisor Politi stated yes Nettie Marie Jones' granddaughter is Sandy Bissell. Sandy is married to Chip Bissell. Chip is a member of our JRB and this was a strip of land that they were not utilizing that was probably of most value to the Town. We thank them profusely for giving us this.

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Councilman Damp moved and Councilman Favro seconded the motion to accept title to the gifted property along the River Road as stated. There being no further discussion, the motion was unanimously carried.

Supervisor Politi stated you have all seen this proposal that we were offered by Richard Dinolfo. Richard Dinolfo just completed the audit for the Town.

Cathy Gregory stated this one will be specifically for the exact same thing.

Supervisor Politi stated the proposed fee \$9,000 for a single audit for the year 2008 and it is required. I have read Richard's audit and I have come to know Richard and know him to be very efficient and diligent in his work. Cathy, do you have anything you want to add for the Board.

Cathy Gregory stated two things. The first is to clarify what Roby said it is not required but if you spend more than \$500,000 of federal aid which it looks like we will by the end of this year then it will be required. Having said that, he is definitely giving us a good price. He has reduced it by \$3,000 from this year's fee. There is no way that you could get another auditor to come in and do it for that price because they would not have the background information of the Town. It would cost them more time and effort.

Councilman Damp stated I also think, and Cathy this is no reflection on you, it is very healthy to have another set of eyes.

Supervisor Politi stated Cathy feels comfortable with it. Checks and balances are important.

Councilman Damp stated we just heard on the news about the Clerk for the Town of Westport. Again It is not any reflection on people in this room so don't take it that way.

Supervisor Politi stated I think it is a good idea. It alleviates that pressure. I have to believe if I was the Budget Officer and they found everything to be in impeccable condition it would make me feel good. And that is exactly what he found. He stated this is a number that is in our budget for next year because had to have the money available.

Councilman Damp moved and Councilman Favro seconded the motion to approve Richard Dinolfo's proposal for the 2009 audit. There being no discussion, the motion was unanimously carried.

Roll call vote: Councilman Rand: AYE; Councilman Damp: AYE; Councilman Miller: AYE; Councilman Favro: AYE; Supervisor Politi: AYE.

Supervisor Politi stated are there any committee reports, other than the Golf Course closed last Friday.

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Councilman Damp stated we have meeting scheduled for 9:00 Thursday morning to go over the change in health plans with the union representatives as well as other employees to discuss those items with Tish, Catherine and myself.

Supervisor Politi stated have all the employees been invited or only representatives.

Cathy Gregory stated a memo was sent to all the department heads

Councilman Damp stated the 19th all the retired employees are coming in and meeting with the expert to talk about their change in Plans as well.

Supervisor Politi stated there is also a meeting for the Saranac Lake School District.

Councilman Damp stated the meeting is the 12th from 7:00pm to 9:00pm.

Supervisor Politi stated I put the information in everyone's file. I would like to find a representative for that meeting.

Supervisor Politi stated is there anything else to add. How is the new construction at the landfill scale building?

Councilman Favro stated it's coming along very well. New siding is on, and it looks good. I also got a letter from Pat Gallagher. He has comments he got from the public. It said how much nicer it looks and how user friendly the recycling center is. That a good thing.

Supervisor Politi stated would you and Bob like to talk about the concept of the expansion of the C&D.

Councilman Favro stated right now the C& D pile is getting very high and we don't like that idea. We are looking at expanding the current area by going around the outside. In doing that, we could get a grinder that would grind stumps and the current material in the C& D. Grinding it would extend the life of the C&D.

Supervisor Politi stated the C&D area is an approved site of about 3 acres. The existing C&D facility utilizes only about 1.1 acres. We have the room to expand. You can not see Whiteface from the new athletic fields because of the C&D pile.

Councilman Favro stated we are going to through the parliamentary stuff with the DEC to utilize the 3 acres.

Supervisor Politi stated by cleaning it out we can remove the metal which can be recycled. The concept is to grind it up to reduce it and increase the economic life of the facility.

Councilman Damp stated it speeds up the decomposition.

Councilman Favro stated we make revenue on this of about \$100,000 a year.

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Attorney Briggs stated the grinder reduces the C&D by 40% to 50%.

Supervisor Politi stated this is an appropriate time to congratulate Larry and Shannon for what they have done at the Recycling Center. That facility is a revenue maker for this community. We have always looked at things from the standpoint of operating the Town as a business. This has been an opportunity to generate additional revenue from recycling. It has been a very successful program. Shannon Porter has done a great job brokering that recyclable material.

Councilman Damp stated we were hoping the same grinder would grind glass, but it is not the same grinder. The cost is approximately \$350,000

Supervisor Politi stated this would not affect the budget in 2009. He stated are there any other committee reports?

Attorney Briggs stated I need to have a brief executive session.

Councilman Damp stated we also need to talk about the health insurance buy-out.

Supervisor Politi stated Cathy I recommend that you stay. He also stated there is not a lot to talk about in regards to the County. They are dealing with the budget and it is the same story as here but probably much worse.

Attorney Briggs stated do you have an estimate of what the increase will be?

Supervisor Politi stated I don't think the increase is going to be that much because they are going to throw an awful lot of fund balance to reduce it He stated the problem is, is that they are utilizing money, they are getting a one time windfall toward the nursing home is at one point \$4,000,000 which will not be available in the future. He stated the issue is whether you continue to utilize the amount of fund balance. Last year it was \$4,000,000 and this year they are talking about \$6,000,000. Given the capital projects they are talking about at some point it is not a good idea to continue to do that. He stated those are the issues right now plus the CSEA contract is an issue which there will be a special meeting on Wednesday at the County.

George Earle stated spending money from the fund balance at the County level is it different then spending it at the Town level?

Supervisor Politi stated no, not necessarily. He stated I am not a believer in necessarily in throwing a one time amount of fund balance of monies to reduce the tax levy but I think in this year given on what is going on and the hardships people may face in terms of gasoline and oil and so forth that taxes are just another thing if they continue to go up. He stated the one thing you have to remember is the fund balance monies are already monies that the taxpayers have already paid. He stated ideally it would be nice to reduce our debt by that amount. In other words take fund balance money and pay off an amount of debt but in some ways that necessarily is not appropriate because there is a lot of debt. The concept is if you incur debt such as a bond and it is on a facility or an infrastructure that is going to be utilized over the next 30 years then it should

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be paid for by the people over the next 30 years. We should not necessarily take the money we have today that has been spent by people today and pay off that debt for people that are going to use it 10 or 15 years from now. So there are arguments both ways.

George Earle stated so you support both the County and the Town?

Supervisor Politi stated I don't necessarily support all the money the County is throwing away. The Town of North Elba has the luxury of having a fairly healthy fund balance as Cathy will tell you. Utilizing this amount of money we still have a fairly healthy fund balance in the general fund. We have that luxury. He stated one of the reasons is Lake Placid and North Elba over the last number of years, not last year, but the years prior was receiving a windfall in mortgage tax money. If originally you budget for a couple hundred thousand dollars in mortgage tax and you get six hundred thousand dollars. That is a nice thing to have happen and when that happens for two or three years you accumulate surplus money. He stated we are lucky we have that and we can utilize money to off set costs. He stated I certainly wouldn't want to be in the position Ticonderoga is in looking at a 14% tax increase. He stated I think that hurts a lot all of the taxpayers when you are looking at 14% and most of the Towns are looking at much higher increases.

Supervisor Politi stated does anyone have any other questions.

Jacob Resneck stated I have a question on the bike trail in Ray Brook and Lake Placid.

Supervisor Politi stated can we talk about that Chuck?

Councilman Damp stated yes we can talk about it. The reality is the proposal by the engineering firm was a quarter of a million dollars which we have already spent in the excess of a hundred thousand dollars. We are getting a little frustrated so we have decided that we need to really hold this to a degree and see if there is some way we could scale back on the paper products and get the trail done.

Supervisor Politi stated I think we have until 2013 but one of the things you have to know, Jake, is if we spend the money and the project doesn't go forward we have to pay the money back. He stated I think right now we have spent \$180,000. Cathy total right?

Cathy Gregory stated we haven't done any work on the bike path.

Councilman Damp stated we have spent about \$115,000.

Supervisor Politi stated if we have spent \$115,000 and if we spend another \$250,000 that would be another \$365,000 in engineering. Basically if the project doesn't go forward the Town has to cough up \$365,000 to pay back so it is prudent to try and find someone else another company to save money.

Councilman Damp stated we are now going out to the stake holders that are involved and see which direction we need to go in to go ahead. He stated on top of that, Jake, when we put the

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budget together 8 or 9 years ago it was \$700,000. It doesn't take rocket science to figure out that number is worthless in any kind of reality to an estimate so we will regroup and go out to the community. We are in the process in getting that meeting together it will be a public meeting and we will lay it out on the table and see which way we will go.

Supervisor Politi asked for a motion to approve the audits as per the audit numbers as follows:

TOWN OF NORTH ELBA
CLAIMS APPROVED FOR PAYMENT 11/10/08

	<u>Regular</u>	<u>Prepaid</u>
A FUND	88,212.38	33,750.27
DA FUND	25,777.85	7,951.00
DB FUND	31,399.98	4,816.06
H43 2008 AIRPORT CAPITAL PROJECTS	353,344.97	-
H44 SOCCER FIELDS	17,998.95	-
H45 FUEL DISPENSING SYSTEM	9,771.63	-
SP PARK DISTRICT	50,677.31	187,106.28
SW2 MCKENZIE	-	73.80
SW3 RAY BROOK	-	479.37
T TRUST & AGENCY	115.57	-
	<u>677,298.64</u>	<u>234,176.78</u>

81765; 82140-82168; 82190-82259; 82280-82346; 82348-82377

Councilman Rand moved and Councilman Favro seconded the motion to approve the audits as presented and paid. There being no further discussion, the motion was unanimously carried.

There being no further business to be brought this board at this time, Supervisor Politi stated we will now go into Executive Session at 8:20 p.m. to discuss pending litigation. Councilman Favro seconded the motion. There being no further discussion, the motion was unanimously carried.

Councilman Favro moved and Councilman Miller seconded the motion to come out of Executive Session at 8:40 p.m. and go back into Regular Session and made the following motion:

Councilman Damp moved and Councilman Favro seconded the motion to approve the 2009 Budget as presented. There being no further discussion, the motion was unanimously carried.

There being nothing else to be brought before the Board at this time, the Regular Meeting was adjourned at 8:50 p.m. with motion by Councilman Miller and seconded by Councilman Favro. There being no further discussion, the motion was unanimously carried.

Respectfully submitted,

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Laurie Curtis Dudley
Deputy Town Clerk